

## APPENDIX R

### SAMPLE INTERLOCAL AGREEMENT

THIS CONTRACT is entered into by (Insert Name of County) County, herein referred to as "the County," and the (Insert Name of City) City, herein referred to as "the City."

WITNESSETH THAT:

WHEREAS, the County and the City are the recipients of a Community Development Block Grant – Economic Development (CDBG-ED) Program grant received as a result of a jointly submitted application for grant funds to provide a business assistance loan to (Name of Business); and

WHEREAS, this Contract between the County and the City will enable them to enhance cooperation in implementing the County's and City's CDBG-ED award to accomplish the above-described project; and

WHEREAS, the County and City have agreed to enter into a Sub-Recipient Agreement with (Name of Local Development Organization) to administer the grant and to sub-grant program income resulting from repayment of principal and interest on the loan to (Name of Local Development Organization) to establish and administer a revolving loan fund account for the County; and

WHEREAS, the County and City have determined that the County, in its capacity as a CDBG-ED grantee, is in the best position to supervise the implementation of the grant through (Name of Local Development Organization); and

WHEREAS, the Montana Department of Commerce has required the County to enter into a contract with the City specifying the terms and conditions of the City's delegation of certain CDBG-ED responsibilities to the County; and

WHEREAS, both parties to this Contract understand that neither local government involved herein has in any way, expressly or implied, abrogated any of its individual powers, and that this Contract does not create any new organization or legal entity.

NOW, THEREFORE, THE COUNTY AND THE CITY MUTUALLY AGREE AS FOLLOWS:

- I. Responsibilities Delegated to the City and County
  - A. The City and County will show compliance with all applicable state and federal requirements contained in the Certifications for Application submitted to the Montana Department of Commerce with the joint City-County application for CDBG-ED assistance, dated (Enter date of CDBG-ED application).

- B. The City and County will show compliance with all other applicable state and federal requirements as described in the Montana Community Development Block Grant Program Grant Administration Manual.
- C. During the term of this Contract, the County will maintain reasonable records of its performance hereunder in a manner consistent with generally accepted accounting principles. The County will allow the City and the Montana Department of Commerce and their authorized representative's access to these records at any time during normal business hours. At the request of the City, the County will submit to the City, in the format prescribed by the City, status reports on its performance under this Contract.

## II. Duration of the Contract

- A. This Contract takes effect when the following conditions are satisfied:
  - 1. The Montana Department of Commerce, and County have executed the CDBG-ED Grant Agreement;
  - 2. All requirements of the environmental review process have been satisfied;
  - 3. The Montana Department of Commerce has approved the County's "Request for Release of Funds and Certification";
  - 4. The County's attorney and the attorney for the City have approved this Contract as to form and content; and
  - 4. The County Board of Commissioners and the City Council have each reviewed this Contract and agreed fully to its terms and conditions.
- B. This Contract will terminate 90 days after the CDBG-ED program grant contract has been completed and closed in a manner acceptable to the Montana Department of Commerce.

## III. Administration

- A. The primary purpose of this Contract is to allow the City to delegate responsibility for any and all administration of this project to the County and the Sub-Recipient (Name of Local Development Organization).

- B. For purposes of implementing the joint undertaking established by this Contract, the County's Board of Commissioners and the City County hereby agree to enter into a Grant Management Plan and Sub-Recipient Agreement with (Name of Local Development Organization) (attached as Exhibits A and B) to provide for the efficient and effective implementation of this Contract and the activities contained herein.
- C. The County will comply with the federal administrative requirements contained in 24 Code of Federal Regulations (CFR), section 570.502, as applicable.
- D. The County will carry out each activity under this Contract in compliance with all federal laws and regulations described in 24 CFR sections 570.600 through 570.612 (Subpart K), except that:
  - 1. The County does not assume the City's environmental responsibilities described at 24 CFR section 570.604, and
  - 2. The County does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 58.
- E. The City and County agree that all funds received through the state for administration or to fund the activities shall be passed through to the Sub-Recipient; that all activity funds received as a result of this grant shall be made available to (Name of Assisted Business), and that all program income received as a result of payment of principal and interest to the loan fund will be sub-granted to the Sub-Recipient to establish and maintain a revolving loan fund for the County.

#### VI. Indemnification

The County waives any and all claims and recourse against the City, including the right of contribution for loss or damage to persons or property arising from, growing out of or in any way connected with or incident to the County's performance of this Contract except claims arising from the concurrent or sole negligence of the City or its officers, agents, or employees. The County will indemnify, hold harmless, and defend the City against any and all claims, demands, damages, costs, expenses, or liability arising out of the County's performance of this Contract except for liability arising out of the concurrent or sole negligence of the City or its officers, agents, or employees.

#### VII. Suspension and Termination

In accordance with 24 CFR 85.43, the County may suspend or terminate this Contract if the City materially fails to comply with any term of the City/County's CDBG-ED grant agreement with the Montana Department of Commerce. In addition the County may terminate this Contract for convenience in accordance with 24 CFR 85.44.

This Contract has been approved by the County's Board of Commissioners and the City Council.

(Name of County) Commissioners

\_\_\_\_\_  
*Commission Chair*

Date: \_\_\_\_\_

\_\_\_\_\_  
*Commissioner*

Date: \_\_\_\_\_

\_\_\_\_\_  
*Commissioner*

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
*Clerk and Recorder*

APPROVED AS TO FORM:

\_\_\_\_\_  
*County Attorney*

(Name of) City

\_\_\_\_\_  
Mayor or City Manager

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
*Secretary/Treasurer*

APPROVED AS TO FORM:

\_\_\_\_\_  
*Attorney*